# STATE BOARD OF ACCOUNTS 302 West Washington Street Room E418 INDIANAPOLIS, INDIANA 46204-2769

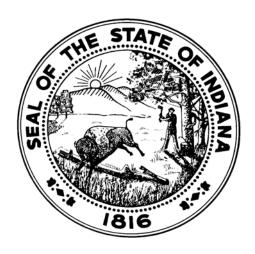
**EXAMINATION REPORT** 

OF

TOWN OF BURNETTSVILLE

WHITE COUNTY, INDIANA

January 1, 2005 to December 31, 2006





#### TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report	3
Financial Information: Schedules of Receipts, Disbursements, and Cash and Investment Balances	4
Notes to Financial Information	5
Supplementary Information: Schedule of Capital Assets	6
Examination Results and Comments: Payroll Deductions Compensation and Benefits Official Bonds Receipt Issuance	7 7
Exit Conference	8

#### OFFICIALS

Office	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Mary K. Caudle	01-01-04 to 12-31-07
President of the Town Council	Jim E. Saylor	01-01-05 to 12-31-07
Superintendent of the Wastewater Utility	Edward Pritts	01-01-05 to 12-31-07



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#### INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF BURNETTSVILLE, WHITE COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Burnettsville (Town), for the period of January 1, 2005 to December 31, 2006. The Town's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above present fairly, in all material respects, the financial information of the Town for the years ended December 31, 2005 and 2006, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Capital Assets as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information, and accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

February 15, 2007

# TOWN OF BURNETTSVILLE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES ALL GOVERNMENTAL, PROPRIETARY AND FIDUCIARY FUND TYPES As Of And For The Years Ended December 31, 2005 And 2006

	Inv	cash and vestments 11-01-05		Receipts	Dis	sbursements	I	Cash and nvestments 12-31-05
Governmental Funds:								
General	\$	11,164	\$	26,553	\$	19,678	\$	18,039
Motor Vehicle Highway		24,296		11,483		4,869		30,910
Local Road and Street		8,176		2,816		1,322		9,670
Rainy Day		2,049		-		2,049		-
Cumulative Capital Improvement		3,838		1,153		4,500		491
County Economic Development Income Tax		5,017		1,186		-		6,203
Planning Grant Fund		-		24,000		24,000		-
Proprietary Funds:								
Wastewater Utility - Operating		185,264		79,539		51,349		213,454
Wastewater Utility - Bond and Interest		56,941		28,825		43,456		42,310
T	•	000 745	•	475 555	•	454.000	•	004.077
Totals	\$	296,745	\$	175,555	\$	151,223	\$	321,077
	Inv	Cash and vestments		Receipts	_ Dis	sbursements		Cash and nvestments 12-31-06
Governmental Funds:	•	40.000	•	47.007	•	10.001	•	45.005
General	\$	18,039	\$	17,687	\$	19,901	\$	15,825
Motor Vehicle Highway Local Road and Street		30,910		13,800		5,235		39,475
Cumulative Capital Improvement		9,670 491		2,710 1,333		763 719		11,617 1,105
County Economic Development Income Tax		6,203		1,333		719		7,522
Planning Grant Fund		0,203		16,000		16,000		7,522
Proprietary Funds:		_		10,000		10,000		_
Wastewater Utility - Operating		213,454		73,893		53,419		233,928
Wastewater Utility - Bond and Interest		42,310		28,573		41,978		28,905
Fiduciary Fund:		,0.0		20,0.0		,		20,000
Levy Excess			_	824		824		
Totals	\$	321,077	\$	156,139	\$	138,839	\$	338,377

The accompanying notes are an integral part of the schedules.

## TOWN OF BURNETTSVILLE NOTES TO FINANCIAL INFORMATION

#### Note 1. Introduction

The Town was established under the laws of the State of Indiana. The Town provides the following services: public safety, health and social services, culture and recreation, wastewater, and general administrative services.

#### Note 2. Fund Accounting

The Town uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

#### Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied or highway use taxes are received are subject to final approval by the Indiana Department of Local Government Finance.

#### Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the Town in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the Town on or prior to December 31 of the year collected.

#### Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the Town to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

#### TOWN OF BURNETTSVILLE SUPPLEMENTARY INFORMATION SCHEDULE OF CAPITAL ASSETS For The Year Ended December 31, 2006

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

General infrastructure assets are included if acquired (purchased, constructed, or donated) after July 1, 1980, or if they received major renovations, restorations, or improvements after that date. The government was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year.) As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are reported at historical cost.

Primary Government		Ending Balance
Governmental activities: Capital assets, not being depreciated: Land Infrastructure Buildings Improvements other than buildings Machinery and equipment	\$	17,883 18,483 102,867 9,390 12,836
Total governmental activities, capital assets not being depreciated	<u>\$</u>	161,459
Primary Government	_	Ending Balance
Business-type activities: Wastewater Utility: Capital assets, not being depreciated: Land Improvements other than buildings Machinery and equipment Transportation equipment	\$	51,246 1,648,943 55,066 24,961
Total business-type activities capital assets	<u>\$</u>	1,780,216

### TOWN OF BURNETTSVILLE EXAMINATION RESULTS AND COMMENTS

#### **PAYROLL DEDUCTIONS**

Payments were made to some employees without payroll deductions for taxes.

Political subdivisions are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Governmental units should file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

#### **COMPENSATION AND BENEFITS**

James Bolen, Town Marshal, received \$2,500 in payments for 2006 which were not included in the payroll system or on the salary ordinance or resolution.

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution or salary schedule adopted by the governing body unless otherwise authorized by statute. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

#### OFFICIAL BONDS

The following official bonds were not filed in the Office of the County Recorder:

Mary K. Caudle, Clerk-Treasurer, Term. 01-01-05 to 12-31-05 01-01-06 to 12-31-06

Indiana Code 5-4-1-5.1(b) states in part: "Every elected or appointed officer, official, deputy, or employee of a political subdivision . . . shall file the bond in the office of the county recorder. . . ."

#### RECEIPT ISSUANCE

Planning Grant proceeds received during the audit period totaling \$40,000 were not posted to the records.

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF BURNETTSVILLE EXIT CONFERENCE
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The contents of this report were discussed on February 15, 2007, with Mary K. Caudle, Clerk-Treasurer.